

109TH CONGRESS  
1ST SESSION

# S. 785

To amend the Internal Revenue Code of 1986 to modify the small refiner exception to the oil depletion deduction.

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IN THE SENATE OF THE UNITED STATES

APRIL 14, 2005

Mr. LOTT (for himself and Mrs. LINCOLN) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to modify the small refiner exception to the oil depletion deduction.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. DETERMINATION OF SMALL REFINER EXCEP-**  
4 **TION TO OIL DEPLETION DEDUCTION.**

5 (a) IN GENERAL.—Paragraph (4) of section 613A(d)  
6 of the Internal Revenue Code of 1986 (relating to limita-  
7 tions on application of subsection (c)) is amended to read  
8 as follows:

9 “(4) CERTAIN REFINERS EXCLUDED.—If the  
10 taxpayer or 1 or more related persons engages in the

1 refining of crude oil, subsection (c) shall not apply  
2 to the taxpayer for a taxable year if the average  
3 daily refinery runs of the taxpayer and such persons  
4 for the taxable year exceed 75,000 barrels. For pur-  
5 poses of this paragraph, the average daily refinery  
6 runs for any taxable year shall be determined by di-  
7 viding the aggregate refinery runs for the taxable  
8 year by the number of days in the taxable year.”.

9 (b) EFFECTIVE DATE.—The amendment made by  
10 this section shall apply to taxable years ending after the  
11 date of the enactment of this Act.

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